

FRACTIONAL CURRENCY COLLECTORS BOARD
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JUNE 1991 NEWSLETTER

The Annual Meeting in Memphis is now over and attached you will find Howard Cohen's report of the meeting. Although Howard thinks he was only acting Secretary, he is now a permanent appointee... The meeting notes are really superb.

Also attached you will find a plethora of items:-

- 1) The latest membership listing of 97 paid-up members and the 14 unpaid members who are still being carried on the rolls. They are indicated by the "OWED" in the 1991 dues column and by the envelope addressed to Treasurer Lee in their copy of this newsletter.
- 2) The minutes of our annual meeting.
- 3) A copy of an article from "Paper Money" discussing the history of one of the infamous counterfeiters.
- 4) A copy of an article from "Coin World" dealing with the third issue 3 cent note's history.
- 5) An article from an unknown source dealing with the life of F.C.C. Boyd.
- 6) Copies of a section of "The Daily Graphic, New York", dated June 12 and June 15, 1874 illustrating counterfeit Fractional Currency. Strangely enough, there is no text discussion of the illustrations!
- 7) A copy of an article by Terry Cox that appeared in the "Rag Picker" of the Michigan Paper Money Collectors.
- 8) A new membership application blank for you to use in recruiting new members. Note that my address has been corrected in the hope that we haven't lost members because of expired forwarding instructions at the Post Office.
- 9) A copy of the speech presented to the Meeting in Memphis covering the paper used in Fractional Currency.

If you are interested in obtaining a wooden box with a metallic reproduction of the third issue 25c Fessenden on the top, please contact Doug Hales directly at 3810 Eric Court, Lakeland, FL 33813. The box will match the previous two and will cost about the same (less than \$35).

Have a good summer.

Milt Friedberg.

Minutes
Fractional Currency Collectors Board
Annual Meeting

The 1991 Annual Meeting of the Fractional Currency Collectors Board (FCCB) was called to order at 2:00 PM, June 15, 1991, President Doug Hales presiding. The location was the Holiday Inn Crowne Plaza Hotel, Memphis, Tennessee. The FCCB Annual Meeting was coincidental with the 1991 International Paper Money Show. Attendance totaled twenty-three (23) members and guests at the start of the meeting. (Peak attendance during the meeting was twenty-seven).

President Doug Hales recounted the origins of the FCCB. In 1984 (sic 1983) at the International Paper Money Show in Memphis, a group of fractional currency collectors and dealers informally discussed the formation of a club in which members could share their knowledge of fractional currency. The FCCB was thus created.

The FCCB officers serve as volunteers. The current officers are: President - Doug Hales, Vice-President - Milt Friedberg, Treasurer - Dr. Wally Lee, and Secretary - William Brandimore. Mr. Ben Bolin is the Membership Co-Secretary; and Mr. Martin Gengerke is the ANA liason. President Hales reported that if there was no opposition, the officers would continue to serve. No opposition was indicated. The officers remain as is.

President Hales requested Committee (Officer's) reports.

Co-Secretary Ben Bolin reported that there are 108 active members in the FCCB. Total members (active or inactive) are 155. (Note: total members are defined as individuals who, at one time, were dues paying members of the FCCB. Active members are defined as members whose dues are current or are in arrears for less than one year.) Sec. Bolin indicated that additional advertisements for membership would continue to be made in pertinent journals on a quarterly basis.

Mr. Mike Marchioni (head of the ad hoc Committee on a Standardized Grading System) reported his findings. (Scribe's note: In a previous FCCB Annual Meeting, it was noted that some FCCB members expressed interest in standardized grading of fractional currency. Mr. Marchioni had volunteered to examine this issue.) Mr. Marchioni indicated that a standardized grading system was relevant only if dealers supported and adhered to such a system.

Mr. Marchioni said he had spoken with several, key fractional currency dealers about a standardized grading system. These dealers did not oppose such a system. However, these dealers indicated that such a system was not feasible for them, due to collectors' and dealers' considerably different judgements on what constitutes a particular grade for a given note. Mr. Marchioni concluded that standardization of grading "was not in the cards".

Dr. Lee gave the treasurer's report. Dr. Lee announced that there were 108 active members, with approximately 10 to 15 members in arrears of current dues. The FCCB treasury currently totaled US\$1,320.54.

President Hales then raised old business.

Milt Friedberg spoke about the revision of The Encyclopedia of United States Fractional & Postal Currency. The Encyclopedia of United States Fractional & Postal Currency was published in 1978, with text and pictures. In 1989, the text of the The Encyclopedia of United States Fractional & Postal Currency was updated and published without pictures. This 1989 update was sent to every FCCB member (and, since, to all new members).

Mr. Friedberg indicated that updated information since the 1989 publication has been sent to FCCB members in mailings. No new picture updates to the 1978 publication are currently "in the works".

Mr. Mike Marchioni spoke about a "beginner's guide" to fractional currency. Mr. Marchioni indicated that the FCCB should examine providing a guidebook, for the general public, which would be informative and put fractional currency in "its historic perspective". Such a guide would be more informative than the discussion of fractional currency in Robert Friedberg's Paper Money of the United States but less intensive than the discussions in Milt Friedberg's The Encyclopedia of United States Fractional & Postal Currency. Mr. Marchioni indicated that he was interested in attracting more "youth" to the hobby; and he felt that the best way of doing this was through appropriate and meaningful education.

Mr. Marchioni and Mr. Milt Friedberg agreed to meet to discuss the prospects of such a guide, and to report back to the FCCB.

President Hales reported on new business. Pres. Hales mentioned two notes which have surfaced: (1) An invert of FR 1365 and (2) a FR 1283 with a "Treas Dpt" bronze block on the reverse.

Pres. Hales asked if there was interest in a new box to be produced by PERMA-ETCH. A "show of hands" indicated that there was sufficient interest. Pres. Hales suggested that the Fessenden 25 Cent Third Issue be used for the boxes for 1991-92. Martin Gengerke indicated that proofs were available for use in producing the etching.

VP Milt Friedberg asked permission of the membership for his submittal for publication of "Enveloped Postage" to the Society of Paper Money Collectors. (Scribes note: Milt had produced this for and distributed this to the FCCB membership. Being courteous, he asked if the FCCB membership would have any opposition to his giving it to be published for a larger audience.) The FCCB members encouraged Milt to give his work to the Society for publication.

Mike Marchioni and Martin Gengerke announced the awards for the exhibits at the show. The third place award was given to Martin Delger for his "2nd Issue Fractionals" exhibit. The second place award was given to Doug Hales for his exhibit of "Fifth Issue U.S. Fractional Currency". First place was awarded to Milt Friedberg for his exhibit entitled "Developments of the 2nd Issue".

Milt appropriately thanked Martin Delger for the effort Mr. Delger devotes to encouraging and helping exhibitors at the annual International Paper Money Shows. (Scribe's note: For those not in attendance at the 1991 show or previous shows, the exhibits at each of the International Paper Money Shows probably combine to make the finest exhibit of any numismatic show - and much of this is due to Martin Delger's effort.) Milt also thanked Mike Marchioni. Mike had provided constructive criticism of a previous exhibit by Milt, and this had helped Milt put together his 1991 1st Place exhibit.

Milt, Martin Delger, and Doug Hales each expressed the gratitude of the FCCB membership to Len and Jean Glazer for providing the awards given each year for the exhibits. Martin Delger noted that the award plaques are top quality and of considerable expense and complimented the generosity of the Glazers.

Martin also encouraged more members of the FCCB to exhibit. Martin noted that the material exhibited by the FCCB members is "museum quality stuff".

Pres. Doug Hales then introduced Milt Friedberg as the guest speaker for the 1991 meeting. Milt's presentation was entitled "Paper of the Second Issue Fractional Currency". (The text of the presentation accompanies these minutes. The text was supplemented by a video display of slides.)

Milt briefly discussed the history and processes of making paper. Key ingredients in high quality paper are linen and/or cotton fibers. In making paper, the basic ingredients (whether linen or cotton fibers or other materials) are settled from a bath to produce paper. Additional pressing or rolling determines the thickness of the paper. How well paper accepts printing is determined by the process called "sizing", which is the final surface treatment and which, in part, is a glazing of the paper.

Currency is preferably printed on security grade paper. High grade security paper requires line/cotton fibers. During the Civil War, cotton/linen rags were in great demand for clothing and wadding. There was not much security paper available. Bond paper was available and was used for printings of postage currency. The National Currency Bureau (forerunner of the Bureau of Printing and Engraving, and hereafter referred to as the Bureau) believed that bond paper did not provide sufficient security and asked for bids for the supply of distinctive paper to protect against counterfeiting.

Milt showed several slides of paper submitted by Olier and by Hudson, and experimental notes printed on this paper. These were rejected. The Bureau entered into a contract with Dr. Gwynne to develop paper.

One of the many requirements that Dr. Gwynne faced was to produce paper which did not shrink unevenly (actually, paper that did not expand and contract unevenly when dampened and when dried). This was critical because security paper was dampened and dried several times during the printing process. (Note: Prior to perfecting "dry" printing processes, paper was dampened before printing. "Wet" printing allowed for better print to be placed on paper.)

Milt showed several slides of experimental notes which the Bureau used to test the "uniformity" of the shrinkage of the paper. The same currency note design (obverse or reverse) was printed on 2 different pieces of paper. Each piece of paper (each note) was cut "in half" through the same part of the design. Then, the "half" from one note was taped to the "half" from the second note to recreate the full design. Experiments were conducted on the "taped together design" to see if the paper shrank uniformly. Milt's slides showed some "taped together" notes, wherein the designs did not allign after the experiemnt was completed, indicating that the paper used was unsatisfactory.

Milt also showed slides of notes (and blocks of notes) with the "Treas Dpt" bronze rectangle stamped on the notes. Milt indicated that this stamp was affixed to paper being used in the production of notes, to provide an audit of the paper made and notes printed.

Lastly, Milt showed slides of Dr. Gwynne's famous "sandwich" paper - two thin sheets of high quality security paper bond together by a cohesive. In some instances, the binder (cohesive) was not successful and the two pieces of paper separated. Eventually, the paper was perfected and used. It was succeeded, in 1989, by paper produced by the J.M. Wilcox & Co., of Concord, Pennsylvania.

With the end of Milt's presentation, Pres. Doug Hales adjourned the meeting, to allow for photographers to take pictures of the three award winners: Martin Delger, Doug Hales, and Milt Friedberg. (Look for the pictures in your local newspaper; if not presented therein, write to the editor and complain about the narrowness of the newspaper's coverage.)

Tales of the Secret Service

CHARLES F. ULRICH, "BOSS CUTTER"

by BRENT HUGHES

CHARLES Frederick Ulrich could have been many things in life other than a counterfeiter. Those who knew him recognized his high intellect, artistic genius, cultured behavior and what today we would call charisma. People instinctively liked him and many came to his aid as he got into one difficulty after another.

His countrymen in his native Germany said that throughout his life he always had "Schweinsgluck," literally "pig's luck," because of his uncanny ability to extricate himself from a long series of personal disasters. Yet he could not resist associating himself with most of the counterfeiters of his day who referred to him as "boss cutter" because of his engraving skill. He made plates to print counterfeit \$100 bills of many national banks and was especially good at making what were called "skeleton plates." These were plates that had everything except the bank name, city and charter numbers. With a skeleton plate in hand, others could make up title plates for other banks whose name contained the same number of letters.

Ulrich's most famous plate was for the \$100 note of the Central National Bank of New York City. At the same time he created a skeleton plate with which he produced similar notes on the Ohio National Bank of Cincinnati and the First National Bank of Boston. The production run amounted to \$200,000 which his shover "Little Jimmy" Brunell disposed of in only two days, leaving many customers asking for more.

Ulrich was born June 25, 1836 in Prenzlau, Prussia. His father was an engraver by profession and taught his son the basics at an early age. Following the custom in those days, the youngster was apprenticed at age 14 to a local engraver. When Ulrich "graduated" at age 16, his employer said that he had a great future ahead of him. But it was not to be.

Shortly thereafter something happened which led to Ulrich's hasty departure for England. Charles said that he was simply escaping the draft; others indicated that the local police suspected the young man of making some counterfeit bank documents of wonderful quality.

The suspicious folks at Scotland Yard had heard the rumors and began watching him. When some beautiful counterfeits of Bank of England notes showed up they naturally talked to Ulrich about it. No charges were filed but Charlie got the message. Move on, the Englishmen implied, and they wouldn't be unreasonable. So Charles arrived in the United States in October, 1853 on the good ship *Ticonderoga*.

It quickly became obvious that a lonely German youth who spoke no English was not going to prosper in New York City. Such engraving shops that existed were not owned by Germans and there were simply no jobs to be had. Charlie was in pretty desperate circumstances and accepted a good meal from an Englishman who befriended him. His benefactor turned out to

be a recruiter for the British Army which was gearing up for war with Russia. Somehow Ulrich was induced to enlist and he and fifteen others were shipped off to Boston. In a few days other men arrived and the entire group left for Halifax, Nova Scotia, then on to England.

It was to be another disaster for Ulrich because he ended up in the Crimea as part of the group immortalized by Tennyson in his "Charge of the Light Brigade." During the famous battle a Russian smashed his skull with a rifle butt, then stuck a bayonet into his side. Charlie was presumed dead for 36 hours, but then his remarkable "Schweinsgluck" surfaced. He was rescued from the battlefield, nursed back to health and sent back to England where he was paid off and discharged. Back he came to New York City in 1856.

This time he found a job with Doty and McFarland Engravers on William Street but left in a short time to set up his own shop at the corner of Maiden Lane and Nassau Street. It was here that he ran into corrupt police officers who augmented their pay by blackmailing suspects.

Detective Bob Boyer was an expert at the game. There had been a rash of "queer" notes circulating about New York, one of which was a ten dollar bill expertly raised to a hundred. Boyer's informants told him that the skilled maker was known on the street as "Dutch Charlie", but who or where he might be was unknown. Boyer went to his files, looked under "Charlie" and came up with the Scotland Yard advisory about Charlie Ulrich as a counterfeiting suspect.

Boyer located his man and found him engraving a vignette to be used on a business card. Boyer accused Ulrich of counterfeiting and hauled him off to jail. When Boyer went on to testify that Ulrich was wanted in both Berlin and London for counterfeiting, the jury convicted him and he was sent to Sing Sing Prison for five years. This was 1858 and the 22-year-old found himself in deep trouble again. But again he got lucky. His charisma worked its magic on the warden.

They liked each other immediately and as they talked the warden became convinced that this nice young man must have been framed. He sent inquiries to Scotland Yard and to the Berlin police which came back negative. The warden contacted Governor Morgan of New York and Ulrich was pardoned in 1861.

When Charlie walked out of Sing Sing there were many inmates left behind who swore that there was more to the pardon business than met the eye. The warden had acquired a certain gold bracelet which he turned over to Ulrich to be beautifully engraved in a manner which the warden knew would delight the Governor's wife. She was more than delighted with Charlie's work and the warden's gift and shortly thereafter the pardon was issued. The more cynical among the

inmates said that "Ulrich engraved his way into prison and engraved his way out." Whether this story is true or not we don't know.

The frame-up must have had a profound effect on Ulrich because when he got to New York City he became a full-time counterfeiter. He soon met an ex-con named Chase who introduced him to Jimmy Colbert, front man for a gang of counterfeiters headed by the notorious Harry Cole. Ulrich was getting smarter all the time and he decided to outfox the New York detectives by having many shops all over town. But the police found him anyway and, according to Ulrich, constantly blackmailed him. Finally he just gave up on New York City and headed west to Cincinnati.

The local counterfeiters called on him and he was again at work making his beautiful plates. In 1864 he made the plates for the national bank \$100 bills. A man named Jimmy Brunell knew talent when he saw it and sought out Charlie to form a partnership. The two rented a house in College Hill, a suburb of Cincinnati, bringing in one Mary Brown, alias Mary Henderson, as their "housekeeper."

Brunell had acquired a plate for making counterfeits of the Francis Spinner 50¢ U.S. fractional currency note. In short order he had saturated the country with the small bill. Apparently most people believed that no one would bother to counterfeit a 50¢ note and accepted them without hesitation. This made a lot of other counterfeiters become anxious to get their hands on the plate.

Tom King, John Hart and Charles White showed up from Pittsburgh one day and pulled off a clever "con." Hart and White bought themselves a badge, pretended to be detectives and threatened to arrest Ulrich and Brunell unless they forked over the plate and \$1,600 in hush money. Ulrich had been through this sort of shakedown in New York, of course, so he paid the money and Brunell surrendered the Spinner plate.

King promptly returned to Pittsburgh, cranked up the old printing press and began turning out bogus Spinners. He was soon arrested and sent away for the next eight years. As you may have guessed, an anonymous letter from Ulrich to Pittsburgh authorities may have led to King's arrest. Charlie quickly learned to play the game.

Into Charlie's life now came the famous, or infamous, William P. Wood, superintendent of the Old Capitol Prison and big buddy of Edwin Stanton and Lafayette Baker. Wood managed to get himself appointed as first chief of the newly-created U.S. Secret Service. He promptly turned into the best known loose cannon in Washington, banging away in all directions. He did catch a lot of counterfeiters, however, and was going strong in May of 1867 when he pounced on Ulrich in Cincinnati. Like any other corrupt law enforcement official, Wood was willing to cut a deal.

After some bargaining Ulrich surrendered the plates for a \$500 bill he was working on and Wood promised to drop the charges. Later the plates would be declared equal to the genuine by Treasury experts, high praise indeed. Wood walked away with the plate and Charlie and let the case go to trial, which of course left Ulrich in deep trouble again.

What Charlie did not know was that a former girl friend, Kate Cross, had become jealous when someone told her that good-looking Charlie Ulrich had gotten married in 1862 shortly after he had arrived in Cincinnati. Kate smoldered for awhile, contacted Wood and told him where Charlie was.

Secretary of the Treasury Hugh McCollough at about this time was frantically trying to find out who had engraved the plates for the famous counterfeit of the \$1,000 "seven-thirty" U.S. bond and had Charlie brought to Washington for questioning. Ulrich told the truth—he had not done it and didn't know who had. The disgusted bureaucrats sent poor Charlie back to Cincinnati where he was sentenced to serve eight years in the Ohio State Penitentiary at Columbus.

Almost immediately the old charisma was back at work and prison officials became convinced that the well-behaved model prisoner deserved a few privileges. In return Charlie took a piece of an old saw blade and engraved thereon a portrait of ex-Governor Allen of Ohio. He then created a marvelous rendering of the penitentiary to go on a fine letterhead for the warden. Such efforts deeply touched Col. Innis, the warden, and got Charlie pardoned for his sins. Innis even set Charlie up in the lithography business, believing that he could secure some fat contracts from the State. These didn't materialize and the new business foundered.



CHARLES FREDERICK ULRICH.

Meanwhile Ulrich had some visitors. The notorious Harry Cole showed up and offered Charlie \$5,000 to move to Philadelphia. Ulrich promptly turned him in to Col. Innis who ran Cole out of town. Then a man showed up who offered Charlie \$1,000 for a plate to make counterfeit tax stamps for cigars. Ulrich turned him in to the Internal Revenue Service. It was getting to be a nuisance; too many people knew where he was. So, in November of 1876, Charlie quietly left Columbus.

A month later we find Ulrich living in Philadelphia working on a plate to make \$50 bills of the Central National Bank of New York City. His partners were Harry Cole and Jacob Ott, two operators who knew their way around the coney business. Cole may have had some hard feelings about his forced departure from Cincinnati, but he didn't let it stand in the way of business.

Ulrich's old nemesis, William Wood, had long since been dismissed as head of the Secret Service and the new chief had cleaned up the organization. Wood had even been brought in for questioning by his former associates and ended up in disgrace.

It was at this time, 1877, that Ulrich produced the counterfeit fifties of the National Broadway Bank and the Tradesman's National Bank, both of New York City. These notes were shipped to a buyer in Germany and in a short time many emigrants arrived in this country carrying the same counterfeit notes.

The group then turned to producing a plate to make \$5 bills of the First National Bank of Hanover, Pa. There was a problem with charter numbers which led to the notes early detection, so the group decided to move on. They slowly realized that the Secret Service was tailing all of the prominent counterfeiters and picking them off one at a time. A lot of Ulrich's friends were becoming very nervous. Charlie had reason to worry also, because in 1878 Secret Service Chief James Brooks and H. R. Curtis of New York caught Ulrich in the act of making a plate to counterfeit a \$100 U.S. Treasury Note and Charlie finally realized that his career was at an end. He agreed to become a confidential informant for the Secret Service.

When Harry Cole showed up one day, he was arrested. To provide the necessary cover for Charlie, they took him in also. Both were indicted at Trenton, NJ on January 22, 1879. As cases went to trial, Ulrich testified for the government against Cole, Ott and some others. All went to prison, swearing that they would take care of Charlie when they got out. The meaning of their threats was not lost on Ulrich and he too began to get nervous. He began to ask the agents what was to happen to him. They told him to relax; he would be taken care of.

All of this talking on Charlie's part was very nice for the government prosecutors but they knew that sooner or later they would have to work out some kind of arrangement for their informant. So it was that Charlie was taken before Judge John T. Nixon one day. He read the riot act to Charlie and as we would say today, "chewed him out" pretty well. He concluded with the statement that if Charlie ever showed up in his court again he would lock him up and throw away the key.

Charlie was naturally quite bewildered by all this and stood quietly until the judge finished his lecture. From the sound of things the sentence might be for 99 years. But the judge paused for a moment, helped himself to a glass of water, and pronounced sentence. Then he suspended the sentence and placed Charlie on probation. "Schweinsgluck" indeed.

The stern jurist then asked Ulrich if he had anything to say and good old Charlie was up to the task as usual. No one could better describe what happened next than John S. Dye in his account

Ulrich expressed his thanks in a becoming manner, and promised Judge Nixon that he would heed his honor's admonition and hereafter, under all circumstances, turn whatever of ability he might possess to the pursuits of honest industry. And the prisoner was liberated upon his own recognizance during the term of his good behavior

As they say, there wasn't a dry eye in the house when Charlie walked out a free man. But we must give Ulrich credit for being intelligent enough to realize that his counterfeiting career was really over now. He knew that his old friends would be out looking for him, so it would be smart to stay close to the nearest Secret Service agent. He gained the status of a protected witness.

There were other factors working against his going astray again. The technology of photo-engraving was being developed and in a few years the counterfeiters would begin using the new method exclusively. The days of the hand-cut plate were ending. And the Secret Service was slowly growing in manpower and reputation so that every counterfeiter would be tracked down. So Charlie did what any intelligent person would have done and became a paid informant and consultant to Secret Service officials who liked him and respected his knowledge. In 1896 he was listed in official records as one of the people responsible for the arrest of the notorious counterfeiter William Brockway. The names are there—Chief William Hazen, William J. Burns, Frank Esquirell and "operative" Charles F. Ulrich. Being made an operative was high honor indeed.

William J. Burns often took Charlie along on trips and served as a sort of guardian for him. So Charlie's final years were probably his best. Burns said that he liked the man very much and that he lived an honest life until he died in 1908. Charlie had known them all, the good ones and the bad ones, and in the end he had still lucked out. He could have been a great man but there was just something in his makeup that led him to the coney game. And there were many others just like him.

SOURCES:

- Dye, John S. (1880). *The government blue book, a complete history of the lives of all the great counterfeiters, criminal engravers and plate printers*. Philadelphia.
- Smith, Laurence Dwight (1944). *Counterfeiting, crime against the people*. New York: W.W. Norton & Co., Inc.
- Excerpts from the history of the United States secret service 1865-1975* (1978). Washington, D.C.: U.S. Treasury Department.
- Various minor references in government documents.

AUTHOR'S CORRECTION

In my haste to write the article on p. 48 in the previous issue of *PAPER MONEY* I made an incorrect abbreviation, even though *Webster's Instant Word Guide* was right at my fingertips, i.e., N(ota) B(ene), latin for "note well" or "take particular notice." It does not mean "notice to bearer."

I appreciate the acuity of the members who recognized my error as soon as I did—after it was in print.

Gene Hessler

Copper-nickel 3-cent lobbyists' reward

Unpopularity of shinplaster gave birth to 3-cent coin

By Richard Gledroyc

COIN WORLD International Editor

Political intrigue salted with good intentions to remove unpopular U.S. currency, seasoned with greed, were some of the ingredients which when mixed together, produced the copper-nickel 3-cent coin of 1865 to 1889.

The roots of the coin were in the Civil War, a time when, characteristic of many wars, most coins were hoarded by citizens fearing economic chaos. That hoarding ushered in a period of various emergency moneys issued by the government and by private parties to alleviate a chronic shortage of coins needed in commerce.

In December 1861 the government announced all specie payment was suspended. By January 1862 most silver and gold issues disappeared from circulation. Soon even small change coins began to disappear from circulation as \$100 in paper currency was being redeemed at \$97 in gold in New York early in that month.

As the redemption rate continued to fall — it was \$95.24 by Jan. 10 — brokers began offering a 1 percent premium over face value for all silver coins. Merchants began charging a premium to make change in silver coinage.

Among the emergency issues of this period were federally issued fractional currency paper notes first authorized by the Act of July 17, 1862.

The 3-cent note which made its first appearance under the authorization of the Act of March 3, 1863, had its most specific function noted on the face — RECEIVABLE FOR ALL U.S. STAMPS — as did all the fractional denomination paper money issues. Small change items of any sort were desperately needed.

The implication that postage stamps could be redeemed for greenbacks at post offices gave the public some trust in these emergency issues, but it still did not give them the metallic coins they desired. The minimum redemption amount of fractional paper notes at post offices was \$5.

The unpopular paper money issues of all fractional denominations were rejected by the public in general, whom preferred the non-legal tender merchant tokens which were privately issued or any other coin or pseudo-coin made of metal. The production of federal minor denomination coins during the Civil War was unable to keep up with the demand. Due to discrepancies in broker exchange rates of paper money to precious metal coins much of the silver and gold was being exported at a profit.

The unpopular fractional notes were unfatteringly nicknamed by the public as "shinplasters." Some circulating privately issued tokens carried the legend SUBSTITUTE FOR SHINPLASTERS. The notes were primarily used in post offices as suggested in the message on them, a standard letter requiring three cents to be mailed. A pack of 100 of the notes could purchase a sheet of stamps if purchased in the minimum amounts required.

The 3-cent notes were the smallest in size of the series as well as the lowest denomination produced. They did not have a long life in circulation, quickly becoming worn and dirty. In addition, Mint Director James Pollock was against the use of paper fractional currency from the beginning and was waiting for an opportunity to remove them from circulation.

His chance came in March 1864 when it became obvious the Mint was running out of nickel, the primary ingredient (88 percent) in minting planchets for the small cent. Pollock was also against the use of nickel in coins, which put him into direct conflict with the powerful politician and industrialist Joseph Wharton, who had a monopoly on the nickel mines in North America. Wharton's colleagues lobbied for the use of nickel in coins in Congress.



COPPER-NICKEL ALLOY 3-cent coin was a victory for the supporters of industrialist Joseph Wharton who controlled the monopoly on nickel mines in North America and held much political sway in Congress.

PUBLIC ENEMY to be removed by the copper-nickel 3-cent coin introduced in 1865 was the "shinplaster" fractional paper note of the same denomination which had proved to be unpopular with the public.

The 1863 Indian Head cent required more than 32 tons of nickel. Pollock urged the passage of a new law abolishing nickel in the cent and authorizing the issue of minor coins of 1-, 2- and 3-cent denominations in French bronze.

This became law April 22, 1864, with the 2-cent coin going into production soon after. The new law did not include the 3-cent coin as requested by the Mint, the provision being blocked by friends of Wharton in Congress.

The fact that with 1- and 2-cent coins available, and because the 2-cent coin was able to be produced as rapidly as the lower denomination, the need for a copper 3-cent coin became redundant.

The apparent initial success of the new 2-cent denomination led Pollock to proclaim it "a most convenient and popular coin."

Underlying all of this, seigniorage (the profit derived for the face value of the coins over the cost of producing them) for the 2-cent coin was \$146,000 for the fiscal year ending June 30, 1864, reaching \$558,000 the following year. As a result Pollock chose to ignore the subject of nickel used in coins in his 1864 report.

But Wharton was not to be bested. The same month the law was passed abolishing the use of nickel in cents he published *Project for Reorganizing the Small Coinage* in which he suggested all minor denomination coins be made of 75 percent copper with 25 percent nickel as an alloy. Wharton proposed denominations of 1-, 2-, 3-, 5- and 10-cent coins each with this alloy.

Rep. John A. Kasson, R-Iowa, was the chief opponent to Wharton's desires and chairman of the House Committee on Coinage. Wharton sympathizers applied as much pressure on Kasson as they could, pressuring him to accept the proposal of a copper-nickel 3-cent coin to assist in the withdrawal of the unpopular 3-cent fractional currency paper note.

Wharton's supporters saw the unpopular issue of 3-cent fractional notes authorized by Secretary of the Treasury Salmon P. Chase in 1864 as the excuse they needed to get the copper-nickel 3-cent coin issued.



Their perseverance with Kasson succeeded due to the unpopular shinplaster. Wharton's supporters presented him with a draft of a bill which not only authorized the copper-nickel 3-cent coin at 30 grams and as legal tender in quantities up to 60 cents, but which lowered the legal tender status of the cent and 2-cent coin to four cents total, a deliberate attempt to unseat the other coins' position in commerce.

Kasson introduced the bill for the copper-nickel 3-cent on March 3, 1865. That evening it was passed by an all-night session of Congress, the eve before the inauguration of President Lincoln the following morning. Kasson's bill was presented without a report or explanation. It passed in the House without comment and went to the Senate where later that night it also passed without comment. It was signed by the president dated the same day.

The composition of the new coin was authorized at 75 percent copper and 25 percent nickel. It was legal tender to a value of 60 cents. No paper note of a denomination of less than 5 cents was to be issued, with the circulating 3-cent notes to be canceled as they were returned to the Treasury. The legal tender status of the 1- and 2-cent coins was reduced to four cents total from 10 cents for the cent and 20 cents for the 2-cent coin as the legal tender maximums to be accepted in transactions.

Coin begins circulation

The new copper-nickel 3-cent coin was to circulate alongside a silver 3-cent coin, which was unpopular enough to be referred to as "fish scales." Bronze and copper coins in three denominations — the old half cent, several different cents and the 2-cent coin — were also circulating. However the immediate effect of the new coin was to reduce the mintage of the 1 and 2 cents for 1865.

Between 1865 and 1876 the copper-nickel 3-cent coin would be used primarily to retire the paper money of the same denomination. The large volume of minor coinage produced in 1864 and 1865 reached a saturation point, with only about 18 million new coins of all these denominations being able to enter circulation. In

1864 about 73 million cents and 2-cent coins had been produced, with another 49 million of these coins produced the following year in addition to about 11.3 million copper-nickel 3 cents.

Mint Director Pollock said in his 1865 report, "If in addition to the already prohibited issue of 3-cent notes the 5-cent notes of the fractional paper currency were withdrawn or the circulation limited and gradually reduced, the demand for this new coin would be much increased."

Short-lived denomination

In this report he completely avoided any further objections to the use of nickel in U.S. coinage. Copper-nickel alloy would go on to become the most popular alloy for coinage in the world. However, the copper-nickel 3-cent coin would not be part of this future for long.

The copper-nickel 3-cent coin was produced in diminishing quantities, although in 1881 it was again produced in a quantity of more than 1 million pieces for the first time since 1870 and the last time ever.

Mint Chief Engraver James B. Longacre designed the coin, with the obverse being a similar depiction of Liberty facing left to that used on other coins he had designed since 1849. The reverse design is the Roman numeral III within the same wreath as used on the 1859 Indian Head cent. The design was never altered in the history of the series.

After 11 years of production, in certain years more of the coins produced were Proofs struck for sale to collectors rather than business strikes required for circulation. Business strikes for some of the later years of this series are scarcer than the Proof specimens.

Various varieties

There are varieties of some dates known to collect, but the series has generally been one of the few U.S. coin series to lack an in-depth study to locate the many collectible varieties of seemingly common coins which undoubtedly exist.

Walter Breen comments in his *Complete Encyclopedia of U.S. and Colonial Coins* that most of the overdates which he catalogs are discoveries of recent years. In the case of the 1866 overdate it still isn't certain what the underlying date is on the last digit. Breen says, "Possibly the lines within loop of 6 represent knob and loop of another 6 originally entered far too low."

Other known overdates in this series include 1872/72, 1878/7, 1883/2 and 1887/886. There are also some doubled dates and other varieties, but more are probably unnoticed by the lack of detailed study of the series. The copper-nickel alloy was hard and difficult to strike, with dies wearing quickly. When dies lost detail they were often repunched and used again.

The 1887/88 Proof overdate Proofs are one of the few known Proof overdate coins in the U.S. coin series.

The 1873 issue includes Open 3 and Closed 3 date varieties. The reason for this is a change to an Open 3 after the chief Mint coinier complained the number could be confused for an 8.

The denomination was abolished under the Act of Sept. 25, 1890, a moot point for a coin which did not circulate anyway. The final blow came when the postal rates changed, removing the one argument which could still be made in favor of the denomination.

Most of the 1888 and 1889 coins were melted for recoinage into 5-cent coins, with many of the earlier dates returned to the Mint for the same fate by banks who had many of them sitting idly in their vaults.

The number three may have proved to be unlucky in U.S. numismatics. Not only was the 3-cent coin abolished in 1890, but so was the \$3 gold piece. ■



ABOUT F. C. C. BOYD

Much of the Washingtonia that is to follow came from the estate of the legendary Frederick C. C. Boyd, who is renowned even today for his penchant for wide diversification and quality in all aspects of his collecting pursuits. Boyd had extraordinarily broad interests, and was fascinated by just about everything in American numismatics. This is evidenced by the fact that his collection covered the entire gamut from colonials to Federal paper money. He assembled magnificent collections of Massachusetts silver, American silver and gold, patterns, territorial, and California fractional gold coins, New York store cards, political medals, colonial and continental currency, encased postage, fractional currency, regular United States paper, obsolete currency, and even held such diverse numismatic material as extensive collections of the foreign gold coinage of England, Russia, China, Japan, Thailand, and other Oriental countries. As an alternative pursuit, he collected rare books and ivory carvings. Without any doubt, he was the consummate collector!

Boyd was born in Henderson, Kentucky, April 10, 1886. In 1899, at the tender age of thirteen, he acquired his first coin, an Extremely Fine large cent of 1822, which turned up in a local country store in the village where he lived. He quit school and left home that same year, and went to work as a printer's apprentice in St. Louis. At seventeen, he became a traveling salesman for Marshall-Field, of Chicago, and at twenty-three, he was an executive in a dry goods firm. In the 1930s, he ended up as the chief buyer for the Union News Company, a subsidiary of the American News Company. He subsequently became a vice president of that firm, and after his retirement in 1946, continued on as a member of the board of directors. In addition to his demanding duties as a buyer, he was in charge of the operation of all of the News Company's restaurants in New York's Rockefeller Center. His salary was about \$27,000 a year. This was during the depths of the Great Depression, when the average working person was only earning about \$18 to \$20 a week, which would make his salary then equivalent to about \$500,000 a year by today's standards!

Boyd also served as a board member of the National Recovery Administration (NRA) during the 1930s, and in the Office of Price Administration (OPA) during World War II.

Boyd's numismatic career was nothing less than spectacular! He held several coin auctions during the first quarter of this century, after one of which he commented, "The happy thought came to my mind of holding a mail auction sale. If any other members of the numismatic fraternity ever have occasion to dispose of their collections, take a tip from me: Don't try to sell them yourself." His auction career culminated with the 1922 ANA convention sale.

Over the years, he became one of America's most prominent numismatists. He was Life Member number 5 in the American Numismatic Association, and was a Fellow and Benefactor of the American Numismatic Society. He was the president of the New York Numismatic Club from 1916 to 1917 (the youngest ever to hold that office), and the secretary-treasurer of that club from 1919 to 1920, and again from 1929 through 1946.

In the 1930s, he was sinking everything he could afford into rare coins. At the time, he appeared to be the only one around with any significant amount of capital to do so. Among the many hoards and collections that he bought during this period was a large portion of the David Proskey estate, in 1930-1932. Through those years, he also bought heavily from B. G. Johnson, who was representing the estate of Virgil Brand.

In 1936, Boyd started the Metropolitan New York Convention. It has been alleged that he gave free bourse tables to the dealers, but he locked the doors on opening day and told the dealers that they were not allowed to buy or sell anything, even between themselves, before Boyd had the opportunity to go from dealer to dealer. Then, after he had made his own selections of coins, the doors were unlocked and the public was invited inside.

In the early 1940s, Boyd thought that he was terminally ill with late-onset diabetes, and started selling his regular American coins, mainly through the Numismatic Gallery ("World's Greatest Collection," 1945-1946, Abe Kosoff and Abner Kreisberg). Most of his patterns were disposed of privately, many of them finding their way into the King Farouk collection.

Boyd's specialized interest in Washingtonia probably commenced with the acquisition of the Waldo C. Newcomer Washingtonia material, which he obtained from B. Max Mehl and Wayte Raymond, circa 1935-1937. Concurrently, he purchased the L. Bayard Smith collection. Later, he obtained the Col. E. H. R. Green collection of Washingtonia (1940s), and finally, the Hillyer Ryder collection from Wayte Raymond, in 1945. All of these sources were merged into one massive holding, and provided Boyd with what was doubtless the most comprehensive collection of its kind. In the 1960s, this monumental collection was sold intact from Boyd's estate to John J. Ford, Jr., who subsequently relinquished all of those medals struck from the pre-Civil War years onward, many of which are offered herein.

Frederick C. C. Boyd died September 7, 1958, in the Orange Memorial Hospital, East Orange, New Jersey, after complications following surgery. Thus, ended the life of one of the most flamboyant, if not unique, characters to ever step onto the American numismatic stage.

Reed and Co. N.Y. No. 12th
MEMORANDA



THE COUNTERFEIT



THE GENUINE

COUNTERFEIT FIFTY CENT "STAMP."

BY MR. W. S. GILMAN, JR.
TELESCOPE AT HIS OBSERVATORY, PALISADES,
N.Y., ON FRIDAY EVENING.



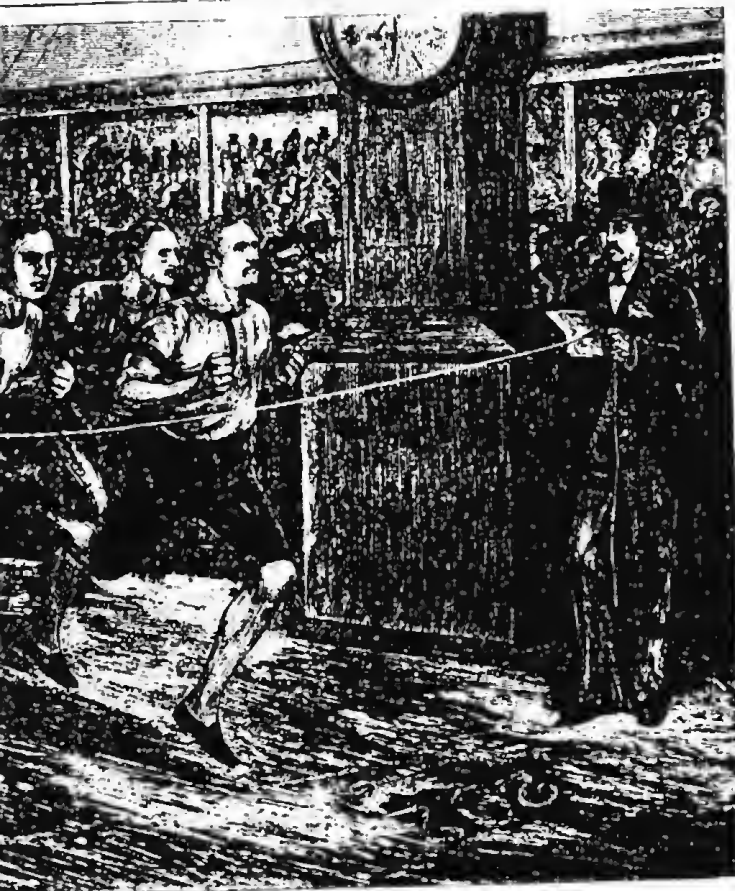
UNION ADAMS & CO.

Will open on MONDAY their new
importations in

STYLISH NECK WEAR

HOSIERY and GLOVES,

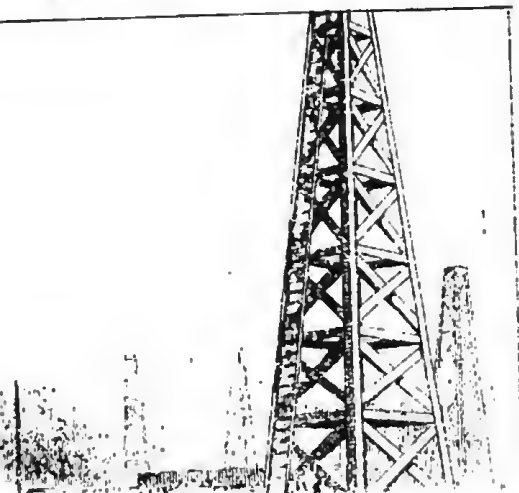
UNDER WEAR



LONDON—THE FINISH FOR THE CHINA CHALLENGE CUP.



FEMALE SCHOOL OF ART (useful occupation for idle and ornamental young men).



THE NEW TWENTY-FIVE CENT STAMP.

If there was a proving ground for U.S. paper money, it was fractional currency. Most collectors are satisfied with a modest type collection, but specialists rejoice in the life-long search for hundreds upon hundreds of varieties. With all these varieties to choose from, some of the most appealing are the handsigned notes of the Third Issue (1864 to 1869).

RED BACKS ONLY With only a unique exception (a 10 cent green back Washington) all handsigned notes have red backs. However, not all red backs were handsigned.

IDENTIFYING HANDSIGNED NOTES Treasurers, registers, and assistants signed all notes in fountain pen ink. Whether faded by time or originally colored, virtually all handsigned signatures show a brownish tint. There is normally a noticeable contrast between the brown and the jet black ink of the regular printing. Engraved signatures show a uniform color while actual signatures always show variations of light and heavy hand pressure. Additionally, since two people signed each note, there is always wide variation in the color and touch of the two signatures. Moreover, the words "Register" and "Treasurer," if present, were hand-printed. If there is still doubt, flip the note over. On most notes, the fountain pen ink will have soaked through the paper and show up on the back.

SIGNATURE UNIFORMITY Although Spinner, Colby, Allison, Jeffries, and New personally signed some notes, they certainly had assistants who copied their signatures. Obviously, we can see variation from note to note. All told, Spinner's wonderful vanity signature seems remarkably uniform, possibly because it took more effort to reproduce. Colby's signature shows less personality and consequently more variation. Jeffries hand is quite tentative and much of the time looks like he misspelled his own name.

VARIETIES If you love tedious arguments, ask a "splitter" and a "lumper" to agree on the number of fractional currency varieties. If we confined them just to handsigned red backs, a "lumper" would say there are about 11 or 12 major variations. A "splitter" wouldn't even slow down until he got into the range of 75 or so. My vote is 25, but regardless of where we split hairs, we find handsigned red backs in four designs spread among three denominations: 10 cent Washington, 15 cent Grant/Sherman specimen, 50 cent Spinner, and 50 cent Justice.

RARITY Overall, I'm guessing that green back notes are twice as common as red backs. Oddly, it seems that about half of the red backs that survive are handsigned. Among the 10 cent red backs, probably more than half are handsigned. Although we don't know the original ratio of handsigned to engraved signatures, it seems that the survival rate for handsigned notes is far too high. I think condition tells us why.

1896
2
OK
3

CONDITION Whenever you see hand signed fractionals, chances are they will be in top condition (AU or better.) In fact, it's hard to find circulated notes. I suspect ordinary people considered them as curiosities and saved them much the same way that modern families save \$2 bills. Hence the good conditions and high survival rates.

Even though we typically find handsignd notes in top conditions, possibly a quarter to a half of them show ink deterioration in the signature. The problem usually shows as a cracking in the paper around the heavier ink flourishes. It's particularly common in Spinner's heavy-handed signature where you'll often see whole pieces of paper missing. The reason is that the fountain pen ink was slightly acidic and has dissolved the paper fibers over 125 years. Unless neutralized, the action will continue and will always be worse in the more humid parts of our country.

DATING Although Third Issue notes were printed from Dec. 5, 1864 to August 16, 1869, officials signed red back notes for many years. Comparing dates of office with note issuance, we see that John New had to have signed six year old notes in order to get fractional collectors to notice him.

REGISTER

TREASURER

SHARED OFFICE

S.B. Colby	F.E. Spinner	Aug. 11, 1864-Sept. 21, 1867
N.L. Jeffries	F.E. Spinner	Oct. 5, 1867-Mar 5, 1869
John Allison	F.E. Spinner	Apr 3, 1869-Jun 30, 1875
John Allison	John C. New	Jun 30, 1875-Jul 1, 1876

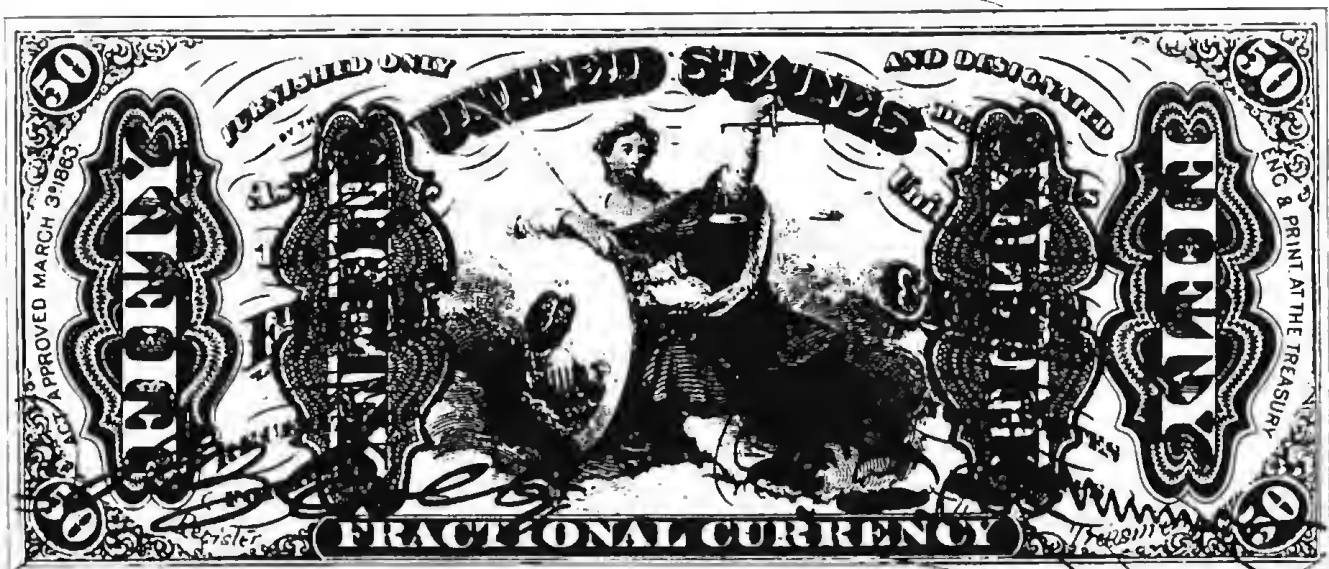
William Rosecrans stretched even further because he didn't come to office until 1885, sixteen years after the Third Issue was retired. Nonetheless he managed to find and sign at least two Spinner 50 cent notes that Spinner had partially completed.

The Rag Picker

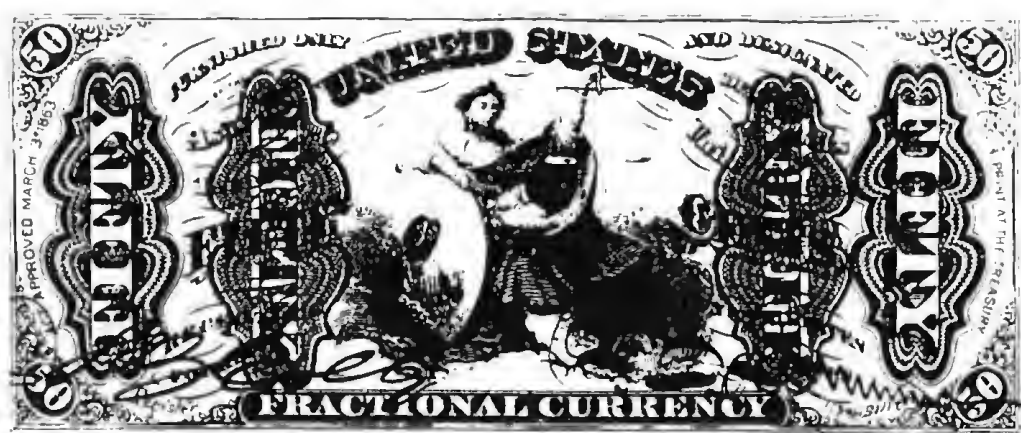
Official Publication of the
Paper Money Collectors of Michigan

VOLUME XXVI, NUMBER 2

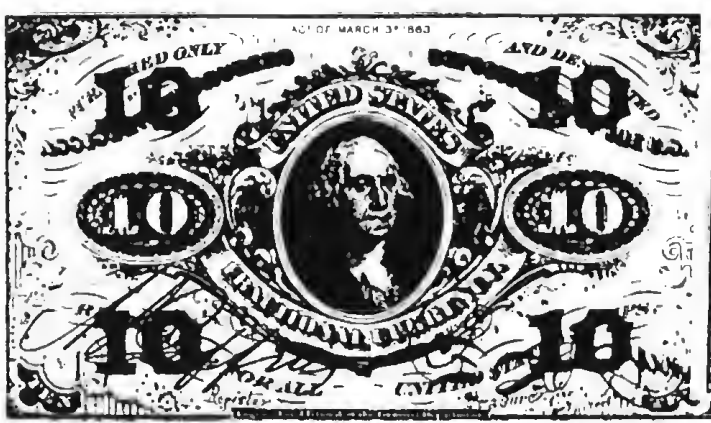
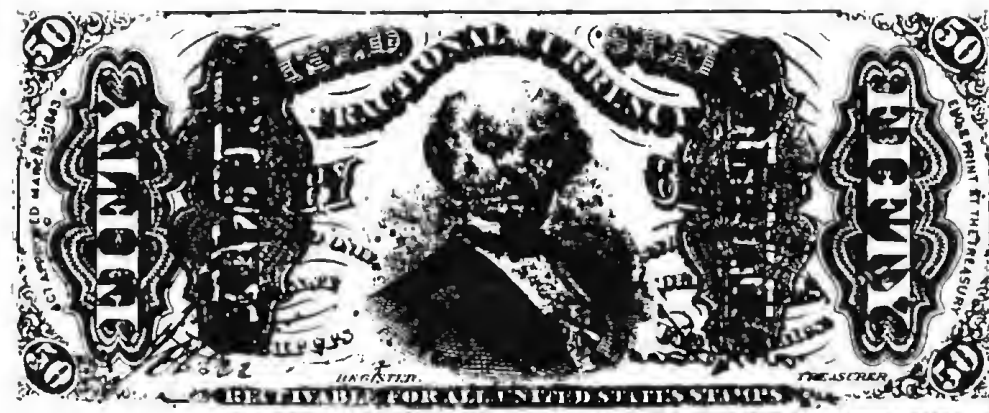
APRIL, MAY, JUNE, 1991



-10-



-6-



APPLICATION FOR MEMBERSHIP
THE FRACTIONAL CURRENCY COLLECTORS BOARD
c/o M.R. Friedberg
Suite # 203
30799 Pinetree Road
Pepper Pike, OH 44124

ATTACH \$15.00 FOR DUES WHICH INCLUDES A \$5.00 NEW MEMBER CHARGE
FOR THE LATEST UPDATE TO THE M.R. FRIEDBERG "ENCYCLOPEDIA OF
UNITED STATES FRACTIONAL & POSTAL CURRENCY". MEMBERS RECEIVE
NEWSLETTERS AS ISSUED AND HAVE FULL VOTING PRIVILEGES. ANNUAL
MEETINGS ARE HELD EACH JUNE IN CONJUNCTION WITH THE MEMPHIS PAPER
MONEY SHOW" AT MEMPHIS, TENNESSEE.

NAME.....
COMPANY NAME.....
ADDRESS.....
CITY.....
STATE..... ZIP CODE.....
WORK PHONE.....
HOME PHONE.....
COLLECTOR ?..... DEALER ?..... DEALER/COLLECTOR ?.....
MEMBERSHIP RECOMMENDED BY.....
MAY WE INCLUDE YOUR ADDRESS & CITY IN OUR MEMBERSHIP LIST? YES/NO
DATE SUBMITTED ../../..

.....
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